

# Emergency Preparedness Addendum on Implementation

National Petroleum Council  
July 29, 2016

Final Version – Approved for Distribution

# 2014 Emergency Preparedness Report

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- Approved by the NPC in December 2014 and included 7 key recommendations.
- Included a commitment between DOE and the NPC to work toward implementation.
- Involved participation of federal and state governments and industry.
- Led to this 2016 addendum on implementation of the 2014 Emergency Preparedness report recommendations.

## 2016 Addendum Materials

- PowerPoint Slide Deck Summary
- Working Paper with Detailed Observations

# 2014 Emergency Preparedness Report Findings

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- Understanding of oil and gas supply chains is critical.
- Improved situational awareness enables more effective response.
- Effective communication is a major challenge during emergencies.
- Maintenance of response organizations should be a priority.
- Leadership commitment and funding for continuous improvement is required to ensure a state of readiness.

# Study Recommendations – Operational Framework

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1. Harmonize DOE's energy response team structure with the National Incident Management System (NIMS) Incident Command System (ICS).
2. Leverage Energy Information Administration's (EIA) subject matter expertise within DOE's energy response team to improve supply chain situation assessments.
3. Establish company liaisons and direct communication with DOE's energy response team to improve situation assessments.
4. Streamline and enhance processes for obtaining temporary regulatory relief to speed up recovery.

# Study Recommendations – Sustaining the Process

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5. States should increase engagement with the oil and natural gas industry in their energy assurance plans, and industry members should assist states in such efforts.
6. Both DOE and states should establish routine education and training programs for key government emergency response positions.
7. Both DOE and states should improve their comprehensive drill and exercise programs and include industry participation. Reciprocal invitations extended by companies to DOE and states are recommended.

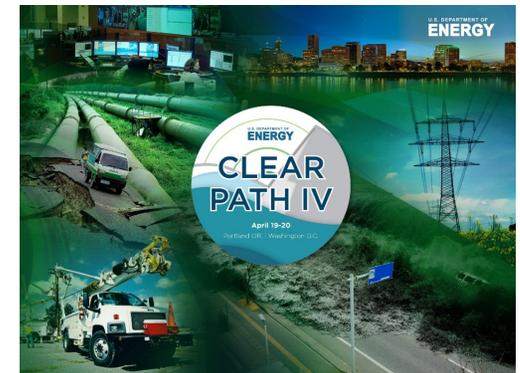
# Continuing Collaboration – Clear Path IV Exercise

## Activities Since 2014 Emergency Preparedness Report

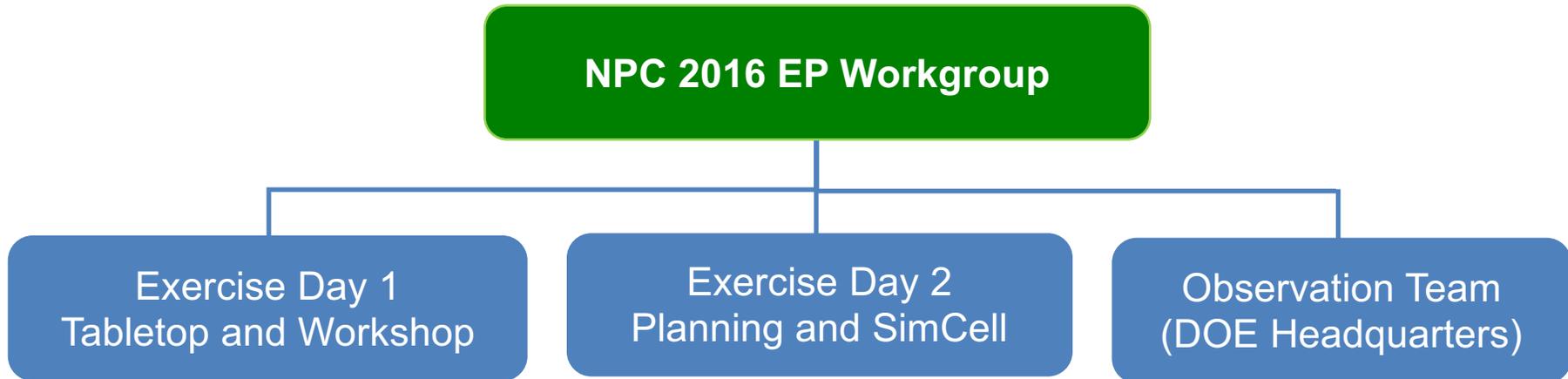
- DOE's Energy Response Organization (ERO) began adopting elements of NIMS ICS.
- NPC, Oil & Natural Gas Subsector Coordinating Council (ONG SCC), and EIA created the company liaison contact list.
- DOE observed oil and natural gas industry exercises and increased industry engagement in Department exercises.

## DOE Clear Path IV Exercise – April 2016

- Provided an opportunity for government and industry to examine the challenges of responding to catastrophic Cascadia Subduction Zone earthquake and tsunami.
- Identified enhancements to response plans, build capabilities and understanding.
- Tested effectiveness of implementation of 2014 study recommendations through a functional exercise.



# 2016 Emergency Preparedness Addendum



## **NPC role:**

- Encouraged and recruited participation from key companies in the region; assisted with planning and execution for the Tabletop and Workshop (Day 1) and the functional exercise (Day 2).
- Provided independent observations; conducted interviews to identify industry and state progress in implementing the 2014 report recommendations; and suggested areas for improvement.

## **Industry participants:**

- AFPM
- API
- BP
- Chevron
- Devon Energy
- Exelon
- ExxonMobil
- Kinder Morgan
- Marathon Petroleum
- Shell
- Tesoro
- TransCanada
- Williams
- U.S. Oil and Refining

# Progress Observed – Summary

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- Functional exercise was a significant step forward to demonstrate knowledge, provide training venue.
- DOE leadership’s commitment to advancing the preparedness and response program is evident.
  - Critical to developing and sustaining a preparedness and response program under ESF-12.
- Energy Information Administration participated within the ERO.
  - Leveraging their expertise and liaison with industry will improve situation assessment.
- Fuels workshop was an important opportunity for states and industry to advance supply chain understanding and enhance response plans.



# Opportunities for Improvement – Summary

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## Key Action Items for DOE

- Conform to ICS organizational structure, roles, nomenclature, and processes (avoid customization).
- Develop a continuity and management of change strategy.
  - Develop a staffing plan for key emergency preparedness and response positions, which manages employee turnover and retains subject matter expertise, historical knowledge, and an understanding of work processes. Ensure a long-term core team.
  - Establish a management-of-change process to ensure transfer of critical knowledge and skills to new leaders and the ERO team members.
  - Empower a process owner for energy emergency preparedness and response leadership, who provides continuity of expertise to the program.
- Engage experienced, operational responders and practitioners as coaches to assist with emergency preparedness and response design, documentation, knowledge, tools, exercises, and training.
- Expand training and exercises. Continue collaboration with industry, states, and others.

# Opportunities for Improvement – Summary (cont'd)

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## Key Action Items for Industry

- Collaborate with EIA on the design of a sustainment process for the company liaison contact system with the ONG SCC.
- Formalize a process to share industry exercise schedules and engage both DOE and state governments' participation through the Energy Government Coordinating Council (Energy GCC).

## Key Action Items for States

- Establish routine review and update of state energy assurance plans.
- Expand understanding of energy system interdependencies.
- Improve understanding of oil and natural gas supply chains, including regional and national implications of disruptions.

# Recommendation 1: Harmonize DOE's Energy Response Team Structure

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## Progress Observed

- DOE Energy Response Organization (ERO) has progressed in harmonizing its energy response structure under NIMS ICS.

## Opportunities for Improvement:

- Design of DOE's emergency preparedness and response organization needs to be consistent with NIMS ICS; avoid terminology that creates confusion.
- Clarify roles and responsibilities of response positions; document in DOE's Energy Response Plan.
- Utilize and adhere to standard ICS work processes and tools to improve effectiveness with other public or private organizations.
- Expand pool of trained staff
  - Cover Incident Command/Emergency Operations Center (EOC) for 24/7 operations, over extended period (weeks).
- Enhance EOC logistics
  - Accommodate variety of internal and external participants, reliable communications, sufficient space, redundant systems, other EOC design best practices.

# Recommendation 2: Leverage the EIA's Subject Matter Expertise

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## **Progress Observed:**

- EIA participated in the Planning Section of the ERO and supported preparation of situation assessment with industry input.
  - Situation report produced encompassing major energy facilities status and information on recovery.
- EIA's role within the ERO enhanced its communication and interface with industry to produce a situation assessment.

## **Opportunities for Improvement:**

- Build capability of EIA's subject matter expertise within DOE's energy response team through future drills and exercise.

# Recommendation 3: Establish Company Liaisons

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## Progress Observed:

- NPC, ONG SCC, and EIA compiled Company Liaison Contact Information (2015).
  - NPC sent requests for contacts to all NPC member companies and the ONG SCC supported the compilation of contacts through trade associations.
  - EIA is now the primary holder of the contact list and updating process.
  - Current list includes 96% of refining capacity for refineries greater than 150,000 BPD and 65% of midstream companies (top tier).
- ONG SCC updated sector plan appendix on emergency management during supply chain disruptions.

## Opportunities for Improvement:

- Validate and update list annually; institutionalize a sustainment process.
  - EIA intention to validate contact information via an exercise.
  - EIA and ONG SCC to collaborate on design of sustainment process.

# Recommendation 4: Streamline Process for Obtaining Temporary Regulatory Relief

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## **Progress Observed:**

- The DOE ERO processed a request for regulatory relief as part of the Clear Path IV exercise.

## **Opportunities for Improvement:**

- Lack of awareness of procedure for coordinating a Jones Act waiver (transportation of goods/fuel on non-U.S. flagged vessel) request indicates additional work is needed in education and training for staff.
- Improve preparedness to effectively respond to a variety of regulatory reliefs by documenting roles and processes in DOE response plans.

# Recommendation 5: States Should Increase Engagement with Industry

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## Progress Observed:

- States of Washington and Oregon are developing fuel plans.
  - Exercise an effective way for states to test plans, develop industry relationships.
- Collaboration between DOE and NASEO is improving coordination with states on energy assurance plans, training, and exercises.
  - Energy Emergency Assurance Coordinator MOU signed by the Secretary of Energy with state associations in February 2016, improving communication at state level.

## Opportunities for Improvement:

- Expand education and outreach during steady state operations.
- Expand understanding of energy system interdependencies.
- Enhance federal, state, local, and industry preparedness plans to address allocation of resources, cascading supply and demand implications during a disruption event.
- Establish routine review and update of state energy assurance plans.

# Recommendation 6: Establish Routine Education and Training Programs

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## Progress Observed:

- EIA petroleum supply reports completed in 2015 and 2016 for PADDs 1, 3, and 5, which serves as a tool for situational awareness.
- ONG SCC continues outreach to share industry expertise and experience through the Energy Government Coordinating Council (Energy GCC).
- *API Oil and Natural Gas Industry Preparedness Handbook* updated.

## Opportunities for Improvement:

- Address high turnover of government personnel and management-of-change process; both a continuing concern.
- Continue to reinforce DOE's role and response structure under ESF-12.
  - Provide education on role and interaction with states.
- Continue education and training of DOE and state staff on oil and gas supply chains.
  - Oil and gas supply chain networks, industry capabilities, antitrust considerations.
  - ICS institutional response framework, emergency preparedness plans.

# Recommendation 7: Improve Comprehensive Drill and Exercise Programs

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## **Progress Observed:**

- DOE advanced their exercise program by implementing a functional exercise (Clear Path IV) with both the oil & natural gas and the electric industries.
- At the Energy GCC, industry shared information on upcoming exercises or drills for awareness and encouraged joint participation.
- DOE observed recent company exercises (ExxonMobil, Marathon Petroleum).

## **Opportunities for Improvement:**

- Continue DOE outreach and collaboration for industry participation in exercises.
- Embrace use of ICS coaches (such as Coast Guard strike teams or industry subject matter experts) within DOE to improve exercise lessons.
- Formalize a process to share industry exercise schedules, engage governments' participation through the Energy GCC.
- Expand DOE ERO involvement in industry exercises and encourage DOE participants to progress from observer to participant roles.

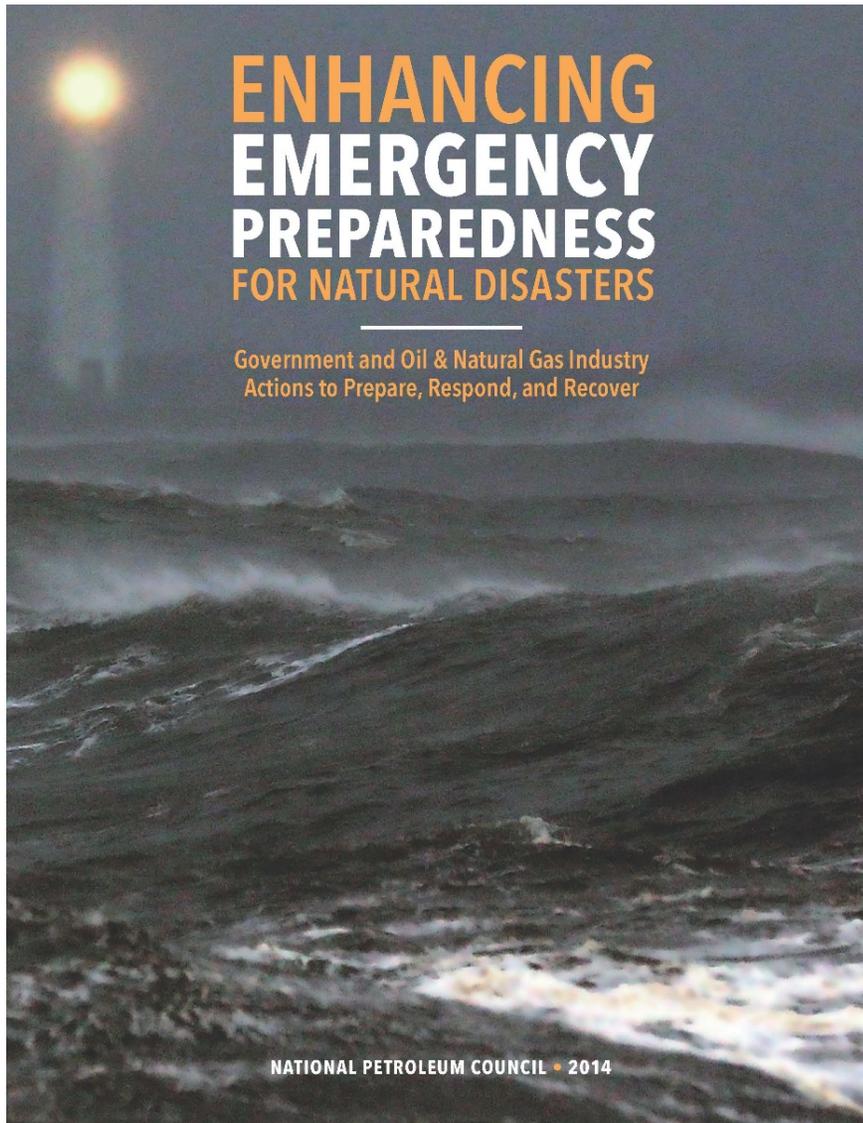
# Emergency Preparedness is a Journey...

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- Clear Path IV exercise served as an important opportunity for government (federal and state) and industry to work together and advance emergency preparedness capability.
- Responses to supply chain emergencies are best managed through planning, preparedness, and private-public sector collaboration.

*“While managing disaster response will always entail uncertainties and raise new challenges, creating a dynamic response system and mechanism for continuous improvement will serve the public, restore energy delivery as quickly as possible, and minimize adverse impacts to public health and the economy.”*

—2014 NPC Enhancing Emergency Preparedness for Natural Disasters



## Questions and Discussion

Report available at  
<http://www.npc.org>

**National Petroleum Council**